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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 09/920,323 | 08/02/2001 | Joshua J.D. Martin | 088305-0135 | 4997 |

7590 03/12/2009

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|---|---|
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| ART UNIT | PAPER NUMBER |
| 3625 | |

| MAIL DATE | DELIVERY MODE |
|---|---|
| 03/12/2009 | PAPER |

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BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

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*Ex parte* JOSHUA J.D. MARTIN and INGRID M. SOLIS

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Appeal 2008-5604
Application 09/920,323
Technology Center 3600

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Decided:[1] March 12, 2009

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Before ANTON W. FETTING, DAVID B. WALKER, and JOSEPH A. FISCHETTI, *Administrative Patent Judges*.

WALKER, *Administrative Patent Judge*.

DECISION ON APPEAL

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[1]The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

## STATEMENT OF THE CASE

The Appellants seek our review of the Examiner's final rejection of claims 1-6, 11-16, 21, and 24-26 under 35 USC § 134 (2002). We have jurisdiction under 35 U.S.C. § 6(b) (2002). We affirm.

Appellants claim a method of facilitating an auction via the world wide web, including an electronic rolling auction wherein the auction sponsor is able to make changes to the items being auctioned while the auction is underway (Specification 1:[0001]). Claim 1, reproduced below, is representative of the subject matter on appeal.

> 1. A computer implemented method that refreshes an ongoing electronic auction at a server, comprising the steps of:
>
> determining whether a sponsor determined auction parameter generated by a sponsor of the auction has been changed while the auction is on-going, the sponsor determined auction parameter not including bid information derived from an input received from any auction participant; and
>
> automatically generating a communication that causes a refreshing of a representation of the auction at a browser of an auction participant when it is determined that the sponsor determined auction parameter has been changed.

## THE REJECTION[2]

The Examiner relies upon the following as evidence in support of the rejection:

Stefanovic US 2005/0246266 A1 Nov. 3, 2005

Claims 1-6, 11-16, 21, and 24-26 stand rejected under 35 U.S.C. § 102(e) as being anticipated by, or, in the alternative, under 35 U.S.C. § 103(a) as unpatentable over Stefanovic.

## ISSUE

The Appellants argue that Stefanovic does not teach determining whether a sponsor determined auction parameter generated by a sponsor of the auction has been changed while the auction is on-going. The Examiner found, when an auction is construed under a broadest reasonable interpretation to include the auction of multiple items, that Stefanovic meets the disputed limitation, because it discloses the claimed invention including automatically refreshing an auction parameter ("lot number or identification information"), which is not bid information. Have the Appellants shown that the Examiner erred in finding that Stefanovic inherently teaches, or, in the alternative that it would have been obvious to modify Stefanovic to include, determining whether an auction parameter

[2] The Appellants also challenged the rejection of claims 1-6, 11-16, 21, and 24-26 under 35 U.S.C. § 103(a) as unpatentable over Goodwin (Br. 5). The Examiner clarified in the Answer that the rejection over Goodwin had previously been withdrawn in the Office Action mailed on November 15, 2006 (Answer 4).

generated by a sponsor of the auction has been changed while the auction is on-going?

## FINDINGS OF FACT

We find the following enumerated findings to be supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. The Specification teaches that auction parameter objects might include the name of the auction, the start/end time of the auction, the items being bought or sold, the participants, the direction of the auction (reverse or forward), the type of auction, awarding criteria and any other detail that may be used in an auction object (Specification 10:[0036]).

2. Stefanovic teaches that the lot number or lot identification information might be automatically refreshed to the screen of the site terminal (3) as the auction progresses (Stefanovic, 6:[0064]).

## PRINCIPLES OF LAW

"A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987), *cert. denied*, 484 U.S. 827 (1987).

"Section 103 forbids issuance of a patent when 'the differences between the subject matter sought to be patented and the prior art are such that the subject

matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of ordinary skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S. Ct. at 1734 ("While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.")

In *KSR*, the Supreme Court held that "[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id.* The Court explained:

> When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, §103 likely bars its patentability. For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill.

*Id.* at 1740. The operative question in this "functional approach" is thus "whether the improvement is more than the predictable use of prior art elements according to their established functions." *Id.*

In rejecting claims under 35 U.S.C. § 103(a), the examiner bears the initial burden of establishing a prima facie case of obviousness. *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992). *See also In re Piasecki*, 745 F.2d 1468, 1472 (Fed. Cir. 1984). Only if this initial burden is met does the burden of coming forward with evidence or argument shift to the appellant. *Id.* at 1445. *See also Piasecki*, 745 F.2d at 1472. Obviousness is then determined on the basis of the evidence as a whole and the relative persuasiveness of the arguments. *See Oetiker*, 977 F.2d at 1445; *Piasecki*, 745 F.2d at 1472.

## ANALYSIS

The Appellants argue claims 1-6, 11-16, and 21 as a group. We treat claim 1 as representative.

The Appellants argue that while Stefanovic describes the refreshing of a lot number or a lot identification information at a site terminal, this refreshing does not change the contents of the lot number or the lot identification information during an on-going auction. According to the Appellants, it appears that once an auction has completed, the sponsor can then update information at respective buyer site terminals in accordance with a next item to be auctioned off (Br. 5). The Appellants argue for a construction of "on-going" based on the plain and accustomed meaning that a current auction has not yet ended (Br. 6).

The Examiner found that Stefanovic discloses the claimed invention, including automatically refreshing an auction parameter ("lot number or identification information") and that the auction parameter is not bid information.

The Examiner relies on paragraph [0064] of Stefanovic, which teaches: "It will be understood that the lot number or lot identification information might be automatically refreshed to the screen of the site terminal (3) as the auction progresses." In support of the anticipation rejection, the Examiner found that "lot number" is inherently a sponsor determined auction parameter because it is the auction host who determines the lot number within the auction implementing computer system (Answer 5). In support of the alternative obviousness rejection over Stefanovic, the Examiner found that, if not inherent, it would have been obvious to a person having ordinary skill in the art at the time of the invention was made to modify Stefanovic to include designating that lot number or identification information as sponsor determined.

According to the Examiner, such a modification, by allowing only the sponsor to determine lot number, would have allowed the sponsor to prevent duplicate lot numbers and allowed the sponsor to use lot number as a keyed field in the database (Answer 6). In response to the Appellants' arguments, the Examiner found:

> A change in the lot number, as disclosed in Stefanovic, corresponds to a change in auction parameter in an ongoing auction. The auction process of Stefanovic includes an auction for several lots or items. Whenever there is a change of a lot number in the auction process of Stefanovic this change is determined and conveyed to the auction participant's browser (see at least Fig.4, paragraphs 0056-0057 and 0059-0064). The term "auction" as recited in the claim is not defined to be limited to an auction of one item/lot simply. The term, "auction" is to be accorded to its broadest reasonable

> interpretation and in Stefanovic the on-going auction process a single action is conducted for multiple lots (see Fig.4, paragraph 0061 , ". . .*A screen such as shown in Fig. 4 also shows, in its top corner at* (25)) *the status of the auction insofar as all of the bids being placed.*. . . . . ***The server (10) could be programmed to automatically refresh the HTML page (20).*** . . ", paragraph 0064, ***"....It is understood that the lot number or lot identification information might be automatically refreshed to the screen of the site terminal (3) as the auction progresses*** . . .)." Therefore, in the event of a change in auction parameter the change is not limited to a change in auction parameter during the auction of a particular lot/item but, the on-going auction process is an auction for various lots one after another and a change in the lot number does correspond to a change in the auction parameter in the ongoing auction process of many lots.

(Answer 7-8).

We agree with the Examiner. The Appellants (who filed no reply brief) have not shown why the definition of auction should be limited to a single item and why the term on-going should exclude the time between the auction of individual items or during the auction of subsequent items. Given a broadest reasonable interpretation, we agree that a single auction may be conducted for multiple lots. The Appellants have not shown that the Examiner erred in rejecting claim 1 as anticipated or, alternately, as obvious over, Stefanovic. Claims 2-6, 11-16, and 21 were not argued separately, and fall with claim 1. *See* 37 C.F.R. § 41.37(c)(1)(vii). *See also In re Young,* 927 F.2d 588, 590 (Fed. Cir. 1991).

The Appellants argue claims 24-26 as a group. We consider claim 24 as representative. The Appellants argue that claims 24-26 provide further details of

the sponsor determined auction parameter, which comprises one of details of a product being auctioned, bidding options, or attachments that describe the product being auctioned. The Appellants note that the Examiner equates Stefanovic's lot identification number as allegedly corresponding to the claimed sponsor determined auction parameter, and argue that, while Figure 5 of Stefanovic shows a lot identification for an auction, even if such a lot identification may help identify an item for auction, that lot identification does not change during the auction. According to the Appellants, once a new item for auction appears on the display, a new lot identification is provided, but this is done after the current auction has completed (Br. 6-7). This argument is not persuasive because it is based on the Appellants position, which we reject, that the definition of auction should be limited to the auction of a single item. The Appellants have not shown that the Examiner erred in rejecting claim 24 as anticipated by or, alternatively, as obvious over, Stefanovic. Claims 25-26 were not argued separately, and fall with claim 24. *See* 37 C.F.R. § 41.37(c)(1)(vii). *See also In re Young,* 927 F.2d at 590 (Fed. Cir. 1991).

## CONCLUSIONS

We conclude that the Appellants have not shown that the Examiner erred in finding that Stefanovic inherently teaches or, in the alternative, that it would have been obvious to modify Stefanovic to include determining whether an auction parameter generated by a sponsor of the auction has been changed while the auction is on-going.

DECISION

The decision of the Examiner to reject claims 1-6, 11-16, 21 and 24-26 under 35 U.S.C. § 102(e) as being anticipated by, or, in the alternative, under 35 U.S.C. § 103(a) as unpatentable over Stefanovic is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

LV:

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